

TOWN OF NEEDHAM MANAGEMENT COMPENSATION POLICY #512

1. PURPOSE AND SCOPE

The purpose of this policy is to set forth guidelines for the implementation of the Town's management compensation system.

2. APPLICABILITY

This policy applies to all department managers.

3. DEFINITIONS

Department Managers – those employees classified and paid on the "M" Schedule.

4. POLICY

It is the policy of the Town of Needham that management compensation should be based primarily on individual and/or team performance. The Town shall employ a management compensation system consisting of performance and merit pay components. Decisions concerning management pay shall be governed by the procedures outlined below.

5. PROCEDURES

5.1.1 The M Schedule shall consist of three steps and a performance range to the range maximum.

5.1.2 In the event that the Personnel Board votes to recommend, and Town Meeting approves, a general wage increase for management employees, the entire schedule shall be so adjusted. General wage increases intended to keep pace with the cost of living will apply to all management employees, and shall not be based on level of performance.

5.1.3 Managers currently paid within the range on the M schedule will be grandfathered until fiscal year 2002. The current M Schedule will be eliminated effective July 1, 2001, and any and all salary increases after that date shall be subject to the provisions of this policy.

5.2 Step Increases

Managers shall advance to the next step in the range, as appropriate, after receipt of a satisfactory performance evaluation. Upon receipt of written request by the appointing authority, which includes a copy of the recent performance review form, the Town Administrator may approve an additional step or steps for a department manager at the annual review, or sooner as appropriate.

5.3 Performance Range

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- 5.3.1 Upon receipt of a written request from the appointing authority which includes a completed performance evaluation, the Town Administrator may approve a compensation increase, not to exceed 5%, within the performance range. Increases within the performance range will be based on level of individual and/or team performance, and will be granted in accordance with criteria set forth on Attachment A. Appointing Authorities are encouraged to consult with the Town Administrator/designee prior to submitting a performance range request.
- 5.3.2 Managers must have completed 52 weeks of service at the previous compensation level in order to be considered for a performance range increase, unless specifically waived by the Town Administrator.
- 5.3.3 Performance range increases may be granted only to the level of the range maximum. No compensation may be paid beyond the range maximum except in accordance with the merit pay provisions of this policy.
- 5.3.4 In the event that an appointing authority is not satisfied with the performance range determination made by the Town Administrator, he or she may request that the Chairman of the Personnel Board/designee mediate the matter. If the Appointing Authority is not satisfied as to the decision of the Town Administrator, he or she may file an appeal with the Personnel Board in accordance with Section 8.23 of the Consolidated Personnel By-law.
- 5.3.5 The Town Administrator/designee shall provide the Personnel Board with report at each of the Board's meetings as to the number and amount of performance range increases granted.
- 5.4 Merit Pay
 - 5.4.1 At the written request of the appointing authority, the Town Administrator may approve a lump sum merit payment in an amount not to exceed \$2,500 per fiscal year, or a merit increase not to exceed 3% per fiscal year (105 over the duration of employment) if the manager has demonstrated exceptional performance. In determining whether the manager meets the standard of exceptional performance, the Town Administrator shall consider: 1. how he or she performed the basic requirements of the position and met specific objectives; 2. the manager's demonstrated initiative in helping other departments or employees in meeting their responsibilities; 3. the successful completion of a project or program; and 4. the nature of the employee's extraordinary service. (See Attachment B for Guidelines for Describing Exceptional Performance).
 - 5.4.1.1 Managers are eligible to receive a lump sum merit payment for the completion of a one-time project or program, regardless of their current salary level.

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- 5.4.1.2 Managers are eligible to receive lump-sum merit payment for overall performance. However, managers must be at the maximum of their range for 52 weeks in order to receive this lump sum merit payment.
- 5.4.1.3 Managers are eligible to receive a merit salary increase. Managers must be at the maximum of their range for 52 weeks in order to receive a merit salary increase, unless specifically waived by the Town Administrator in order to approve an increase which is the combination of, and meets the criteria for, both performance range and merit increases.
- 5.4.2 In the event that an appointing authority is not satisfied with the merit pay determination made by the Town Administrator, he or she may request that the Chairman of the Personnel Board/designee mediate the matter. If the Appointing Authority is not satisfied as to the decision of the Town Administrator, he or she may file an appeal with the Personnel Board in accordance with Section 8.23 of the Consolidated Personnel By-law.
- 5.4.3 The Town Administrator/designee shall provide the Personnel Board with reports at each of the Board's meetings as to the number and amount of merit payments granted.

5.5 Other Personnel Actions

Upon receipt of a written request from the appointing authority, the Town Administrator may adjust the compensation, for managers who have been promoted, reclassified, or accepted a lateral transfer, where such adjustment is deemed necessary or fair.

5.6 Special Circumstances

This policy is intended to provide a basic framework governing the management compensation system may not contain procedures governing every situation that might arise. The Town Administrator may authorize exceptions to the policy under mitigating circumstances.

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Attachment A

Criteria for Performance Range Increases

Criteria	Weight
Accomplishment of established goals and objectives and Responsiveness to the appointing authority:	40%
Department's overall level of customer service:	20%
Manager's involvement with other Town departments on Projects; and manager's participation and involvement with other Town boards, committees, or activities:	20%
Manager's oversight and management of budgetary resources	10%
Manager's efforts and success in training, coaching, and mentoring Staff	10%

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Attachment B Guidelines for Describing Exceptional Performance

Basic Job Requirements Explain how the employee performed the basic requirements of the position and how he or she met specific objectives.

The performance evaluation form may substitute for this section if the evaluation is recent and written in narrative form. Included in the discussion of basic job requirements should be examples of the manager's job knowledge, the quality and quantity of the work produced by the individual, the manager's overall dependability and judgment, the individual's interpersonal and communication skills, and the manager's supervisory skills.

This section should also include a description of specific objectives that were discussed and agreed upon with the manager at the beginning of the review period. Please discuss how the manager met these objectives, and provide examples of specific assignments completed, programs implemented, or systems that were instituted by the manager. Please also describe how deadlines were met by the manager, what efficiencies were achieved, what benefits were derived, and what revenue or budget impacts resulted from the manager's actions or efforts.

Teamwork/Customer Service Describe the managers demonstrated initiative in helping other departments or employees in meeting their responsibilities, and indicate efforts undertaken to improve services to the citizens of Needham.

This section should contain specific examples of working relationships that exist between the manager's department and other work groups and departments, and/or an outline of specific projects that have been undertaken jointly with other departments, along with the benefits provided to the Town of Needham.

Please describe any team projects in which the manager has participated and outline the individual's specific role, taking care to highlight specific initiatives or leadership roles undertaken by the manager. Please also highlight any feedback that was received about the manager from other department managers, members of boards and committees, or residents. If there are specific processes in place to measure the impact of initiatives undertaken by the manager and the department, please elaborate on those measures.

Extraordinary Service Describe the nature of the employee's extraordinary service over the past year or the importance of the successful completion of the project.

Describe the characteristics that differentiate this manager from his or her peers, and those which specifically made this manager's performance exceptional. Please provide examples of objectives this employee attained this year, and why these were especially difficult or challenging. Describe successful and important projects that were undertaken and completed by the manager that were above and beyond the usual role and scope of the manager's position. This section might include a description of the attitude of the manager, the hours contributed and the sacrifices made by him or her to complete the project. Please also describe ways in this

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manager sought out new challenges, took on new responsibilities, or made time for continuing education efforts.

Effective February 2, 2000